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A Conceptual Framework for Business Schools in Developing Responsible Leadership competencies in addressing the Sustainable Development Goals (SDGs).

Abstract:

To offer a conceptual framework for Business and Management Schools (BMS) within Higher Education Institutions to address the question: “How can Business Schools develop the competencies of their graduates to meet the Sustainable Development Goals (SDGs)?” This framework can enable BMS to assess their current curricula, thus working towards developing leaders of tomorrow competent in addressing the SDGs. The framework has evolved through synthesising insights from contemporary literature on Responsible Leadership (RL), Transformational Leadership (TL), and on Education for Sustainable Development (ESD), offering a comprehensive framework of ‘educational effectiveness’, enabling BMS to play their roles effectively, producing graduates who can be responsible leaders who support core human values of justice, empathy, humanity, and care for the environments we are privileged to live in, as stated in the brief of this conference.

Keywords: Responsible Leadership, Competencies, Transformational Leadership, SDGs, Educational Effectiveness, ESD

Words: 2156

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Introduction

The United Nations provided a blueprint in 2016 with the emergence of the Sustainable Development Goals (SDGs), seventeen ‘Global Goals’ to address prosperity and peace for people and the planet among the developed and developing countries (UNSDGs, 2016). These goals can be broken down into 4 dimensions: Society, Economic growth, Environmental issues and Working in partnerships to address any of these issues. Since then, some businesses, including corporations, have also taken the step to be involved with the SDGs (Accenture, 2013; Accenture, 2016; BSR, 2018). Furthermore, some Business and Management Schools (BMS) globally have become signatories in the UN’s Principles of Responsible Management Education (PRME), bringing the total to about 650 signatories to this voluntary initiative aimed at equipping “today’s business students with the understanding and ability to deliver change tomorrow with a focus on the SDGs (PRME, 2019). Henceforth, there is a legitimacy and urgency for potential business graduates to be equipped with the tools to enable them to address these SDGs via the business world, thus having an alternative to the status quo in business performance and management, as outlined in the theme of this conference.

Some might argue that this is ‘too political’ for BMS to be involved. However, not doing anything about this can also be considered ‘political’ (Molthan-Hill, 2014), not to mention that there is no value in neutral way of doing business (MacIntyre, 1981) and that being morally or politically-neutral can mean “every such act occurs...is...a potential for exploitation” (Watson, 2002:448). Additionally, in lieu of the financial crisis in 2007-2008 (Elliot, 2011), increased social inequality caused by tax evasions of companies (Marriage, 2017; Mikler and Elbra, 2018; Pegg, 2017;), and climate change due to the activities of the logging and food, and gas and oil industries (World Future Council, 2012; European Environment Agency, 2016; Bennett, 2017; Laybourn-Langton et al. 2019), arguably BMS has been complicit in contributing to these issues (Parker, 2018) due to poor governance by senior leaders. These events have highlighted the urgency in BMS to play a proactive role in developing responsible graduates who are equipped to address the SDGs in the workplace.

Thus, this paper looks at three distinctive traditions in the business and sustainability literature: Responsible Leadership (RL), Transformational Leadership (TL), and Education for Sustainable Development (ESD), after addressing the competencies in BMS, to streamline the competencies, as the dialogue between the first two and the third could be improved (Lozano et al, 2013).

Therefore, the purpose of this paper is to amalgamate these competencies into one comprehensive framework, to enable business schools to assess how they can develop or improve RL competencies in their curricula. This is so their future business graduates can have the tools and competencies to address the SDGs by 2030, and beyond.

This being a developmental paper, we will focus on the literature review which leads to an overview of our conceptual framework. Post paper submission, field work will be undertaken.

Generic Competencies of Business & Management Schools (BMS)

With regards to addressing social and environmental issues, scholars have argued that business graduates are either “ill-equipped” to cope with the potential challenges required in behaving in a more socially responsible manner (Meier and Frey, 2004, p.158) or that they do

not regard sustainability issues as one of their areas of responsibility (Eagle et al., 2015) - perhaps a disassociation between the current misbehaviour of corporations and industries, and their own role as future employees of those same companies (Parker, 2018). Contrastingly, a study involving more than 17,600 MBA students found that business students wish to know more about sustainability and ethical issues, believing that they are being taught too little on the topic to empower them to deal with related challenges in their future career (Yale et al., 2016).

Table 1 below depicts generic BMS competencies as highlighted by authors in this area (Boyatzis, 2008; Abraham and Karns, 2009; Freudenberg, 2011, David et al, 2011).

Table 1:

Generic Business Schools Competencies	
Problem-solving	Communication Skills
Teamwork	Attitude
Ability to adjust to task	Planning & Organising
Disciplinary Thinking / Discipline-specific	Creativity
Initiative	Responsible Citizenship
Business Expertise	Results Oriented
Intelligence	Leadership Skills

We argue that whilst these competencies are valid and relevant in the BMS curricula to prepare potential business graduates in the business world, they do not necessarily equip the graduates with the tools needed to integrate society and environmental into the business practice, hence the graduates will only do business as those before them have always done. As Albert Einstein said "We cannot solve our problems with the same thinking we used when we created them" (BrainyQuote, 2019). Therefore, this paper aims to address that by integrating these generic skills with those of RL, TL, and ESD, so that there is a framework that BMS can use to ensure that their curricula can empower their students to be problem-solvers to the SDGs in the business world.

Responsible Leadership (RL)

Hitherto, one of the key literature in BMS is “Responsible Leadership (RL)” coined by Maak and Pless (2009: 539), defined as “values-based and principle-driven relationship between leaders and stakeholders who are connected through a shared sense of meaning and purpose through which they raise to higher levels of motivation and commitment for *achieving sustainable value creation and responsible change*” (Italics added). The authors, along with other scholars have emphasised the importance of several competencies related to being a ‘Responsible Leader’, as illustrated in Table 2 below (Pless and Maak, 2011; Freeman and Auster, 2011; Painter-Morland, 2011; Groves and LaRocca, 2011; Waldman and Galvin, 2008; Molthan-Hill, 2014). We acknowledge that RL already has a good list of competencies that make up a “responsible leader”. However, we argue that it can be more beneficial to combine it with TL and those from ESD, thus closing the “trust gap” (Pless et al, 2012:51) and filling in the “moral-vacuum” (Pless et al, 2011:237) of the business world.

Table 2:

Competencies of a ‘Responsible Leader’	
Relational Intelligence	Mobilise others as collaborators
Accountability	Sense of Responsibility
Morally-conscious	Value-based
Active global citizenship	Agents of social justice
Ethical Intelligence: moral awareness, moral reflection and moral imagination	

For example, competencies in Table 2 make up one component amongst the competencies shown in Table 1. We argue how amalgamating the competencies from these two sections and showing how they complement each other, especially with regards to enabling business school students to address the SDGs in their workplace will be essential by linking moral intelligence with problem solving, as the two are not mutually exclusive.

Transformational Leadership (TL)

TL, according to Bass (1996:18), is one who “motivates others to do more than they originally intended...set more challenging expectations and typically achieve higher performances”. He further describes 4 dimensions that a transformational leader needs to have, as shown in Table 3.

Table 3:

Four dimensions of a ‘Transformational Leader’	
Charismatic	Inspirational
Intellectual	Individualised consideration

Whilst the concept of transformation leadership has been key in positively effecting change in the business school curricula, it mainly focuses on emotional intelligence characteristics, as illustrated in Table 3 above. Therefore, we will be addressing this gap by including other competencies such as the ones from RL, as well as how emotional intelligence, e.g. inspirational and/or intellectual, can be interconnected with accountability or responsibility.

Moving away from the academic literature and focusing on a professional piece of research commissioned by the UNGC in relation to TL, Accenture involved 1,000 top executives from 27 industries, across 103 countries in 2013, for their views on global capitalism and sustainable development. The study combined 200 interviews and 2,000 online surveys. The study identified 21 companies across 14 countries, with a combined annual revenue of ca. US\$900 billion, that in Accenture’s view have shown an ability to turn sustainability issues into a profitable business case, i.e. to combine ‘market-leading financial performance with sustainability leadership; turning sustainability to business advantage’ (Accenture, 2013, p. 51).

These ‘transformational’ companies showed the following five attributes: they 1) regard environmental and social issues as important to the success of their business; 2) reject traditional perceptions of sustainability as philanthropy; 3) engage investors on sustainability; 4) believe in the transformational potential of partnerships with NGOs and others, and 5) measure and reward sustainability in employee performance assessments and remuneration”

(Accenture, 2013, p. 52). Furthermore, this piece of research identified seven key themes that guide CEOs' thinking and actions ('agenda for action'), as shown in Table 4 below.

Table 4:

Transformational Leaders as depicted by Accenture	
Realism & Context: understanding the scale of the challenge and the opportunity	Growth & Differentiation: turning sustainability to advantage and value creation
Value & Performance: what gets measured gets managed	Technology & Innovation: developing new models for success
Partnership & Collaboration: facing new challenges with new solutions	Engagement & Dialogue: broadening the conversation
Advocacy & Leadership: advocacy and leadership in shaping future systems	

UNESCO's Education for Sustainable Development (ESD)

UNESCO (2017) defined the purpose of ESD as "enabling us to constructively and creatively address present and future global challenges and create more sustainable and resilient societies".

The role of business schools in producing graduates with a 'sustainability mind-set' has been highlighted in recent literature (Anderberg et al., 2009; Karatzoglou, 2013; Leal Filho et al., 2015; Lozano et al., 2011; Sarabhai, 2014; Tilbury, 2011), as well as by the United Nations' SDGs (UN's SDGs, 2016). Furthermore, Dyllick (2015) argues for business schools to 'transform themselves fundamentally, if they want to be a provider of solutions to the crises of responsibility and sustainability and thereby keep and regain their legitimacy' (Page 16). Doherty, et al., 2015, also stated that 'failure to respond in a systemic way will mean business schools will run into serious problems with legitimacy' (Page 34). Most authors and NGOs would agree with Githsam et al., 2014, who emphasise that 'embedding sustainability in management education is necessary and urgent' (p. 299).

An additional challenge identified is that the ESD principles/pledges do not seem to underpin the core business and management theories –sometimes these ideas are included as an additional/optional section, or as an additional chapter (Carrithers and Peterson, 2006; Jabbour, 2010; Stoddard, 2009; Dale and Newman, 2005). Accordingly, Tilbury and Ryan (2011) stressed that 'sustainability concepts and paradigms (...) can no longer be treated as "stand-alone" items that can be simply "bolted on" in piecemeal ways, to trumpet the contemporary relevance of curricula' (p. 141). Escudero, one of the co-founders of Principles of Responsible Management Education (PRME) states that business schools need to be "transformative" (Alcaraz and Thiruvattal, 2010, p. 546), and that there needs to be a 'paradigm shift' that would result in a redefinition of the objectives and content of business (p. 548). However, it is important to highlight that although some attempts to develop curricula from a sustainability orientation have been made (Hitchcock and Willard 2015; Molthan-Hill 2014; Weybrecht 2013), much remains to be done.

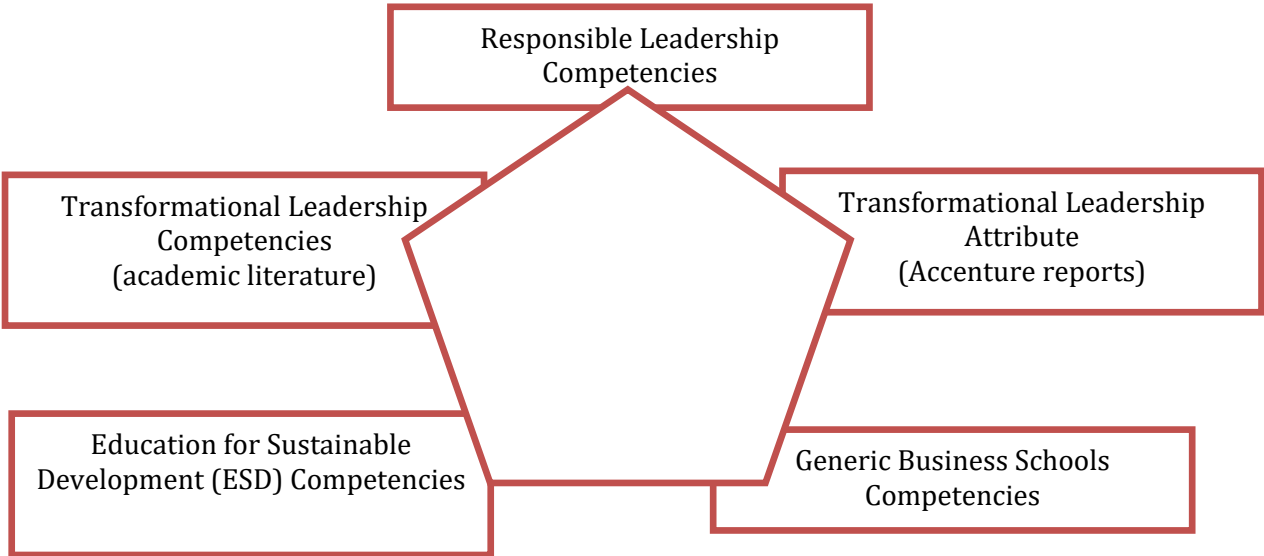
Table 5 shows a summary of key competencies needed for ESD.

Table 5:

ESD Competencies	
System thinking	Interdisciplinary knowledge
Global awareness	Self-awareness
Reflexivity	Sense of Responsibility
Intercultural awareness	Emotional Intelligence
Innovation	Performance

It needs to be highlighted that most of the competencies covered by key literature are generic, applicable across HEIs, and not BMS specific. Therefore, there is a need to cover this gap, and connect the competencies covered here with the ones compiled for both RL and TL. As mentioned earlier, the two dimensions are not mutually exclusive. Hence, we aim to bridge the gap between these ‘camps’, showing business schools how they can be proactive in teaching ESD competencies to ensure that the ‘moral vacuum’ is diminished and that the ‘trust gap’ between BMS and the communities encompassing them is shortened.

Overview of our conceptual framework, Figure 1:



Limitations of research

The research is not without its limitations. We argue that whilst the conceptual framework can allow BMS to assess their curricula, this whole concept can be considered as merely putting a new coat of paint on a house whose foundations are in need of serious repair – whilst the essence of capitalism is about making profits, and the conventional notion that business is

merely about increasing economic profits, it is not a sustainable way of doing business to have major collateral damage along the way.

Furthermore, due to the radical nature of this research, some BMS might find this framework unrealistic as it makes them question the content of their curricula, and how much of that is contributing to the current issues.

Conclusion

This research forms part of my PhD, and the conceptual framework developed through both the literature review and empirical research consisting of interviews and content analysis. However, for the purpose of this conference, I am focusing on the literature review.

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